

**Senate File 504 - Introduced**

SENATE FILE 504

BY COURNOYER

**A BILL FOR**

1 An Act providing for foreign-trade zones organized as domestic  
2 profit or nonprofit corporations, and foreign profit or  
3 nonprofit corporations.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 490.901, Code 2021, is amended to read  
2 as follows:

3 **490.901 Foreign-trade zone corporation.**

4 A domestic corporation may be organized under the laws  
5 of this state, and a foreign corporation may be authorized  
6 to transact business in this state, for the purpose of  
7 establishing, operating, and maintaining a foreign-trade zone  
8 as defined in 19 U.S.C. §81(a). A The corporation ~~organized~~  
9 ~~for the purposes set forth in this section~~ has all powers  
10 necessary or convenient for applying for a grant of authority  
11 to establish, operate, and maintain a foreign-trade zone under  
12 19 U.S.C. §81(a) et seq., and regulations promulgated under  
13 that law, and for establishing, operating, and maintaining a  
14 foreign-trade zone pursuant to that grant of authority.

15 Sec. 2. Section 491.36, Code 2021, is amended to read as  
16 follows:

17 **491.36 Foreign-trade zone corporation.**

18 A domestic corporation may be organized under the laws  
19 of this state, and a foreign corporation may be authorized  
20 to transact business in this state, for the purpose of  
21 establishing, operating, and maintaining a foreign-trade zone  
22 as defined in 19 U.S.C. §81a. A The corporation ~~organized for~~  
23 ~~the purposes set forth in this section~~ has all powers necessary  
24 or convenient for applying for a grant of authority to  
25 establish, operate, and maintain a foreign-trade zone under the  
26 provisions of 19 U.S.C. §81a, et seq., and rules promulgated  
27 ~~thereunder~~ under that law, and for establishing, operating,  
28 and maintaining a foreign-trade zone pursuant to that grant of  
29 authority.

30 Sec. 3. NEW SECTION. **504.208 Foreign-trade zone**  
31 **corporation.**

32 A domestic corporation may be organized under the laws  
33 of this state, and a foreign corporation may be authorized  
34 to transact business in this state, for the purpose of  
35 establishing, operating, and maintaining a foreign-trade zone

1 as defined in 19 U.S.C. §81(a). The corporation has all powers  
 2 necessary or convenient for applying for a grant of authority  
 3 to establish, operate, and maintain a foreign-trade zone under  
 4 19 U.S.C. §81(a) et seq., and regulations promulgated under  
 5 that law, and for establishing, operating, and maintaining a  
 6 foreign-trade zone pursuant to that grant of authority.

7 Sec. 4. PREVAILING PROVISIONS. The provisions of this Act  
 8 amending section 490.901 shall prevail over any conflicting  
 9 provisions in section 490.209 as enacted in Senate File 266, or  
 10 its successor, or House File 681, or its successor, if enacted  
 11 by the Eighty-ninth General Assembly, 2021 Regular Session.

12 Sec. 5. CODE EDITOR DIRECTIVE.

13 1. The Code editor is directed to transfer section 490.901,  
 14 as amended in this Act, to section 490.209.

15 2. The Code editor shall correct internal references in the  
 16 Code and in any enacted legislation as necessary due to the  
 17 enactment of this section.

18 3. This section shall take effect only if Senate File 266,  
 19 or its successor, or House File 681, or its successor, is  
 20 enacted by the Eighty-ninth General Assembly, 2021 Regular  
 21 Session.

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with  
 24 the explanation's substance by the members of the general assembly.

25 This bill amends provisions to allow a foreign for-profit  
 26 corporation authorized to transact business in this state, a  
 27 domestic nonprofit corporation organized in this state, or a  
 28 foreign nonprofit corporation authorized to transact business  
 29 in this state to have as its purpose the establishment,  
 30 operation, and maintenance of a foreign-trade zone under  
 31 federal law. Currently, a domestic corporation may be  
 32 organized under the laws of this state for purposes of  
 33 establishing, operating, and maintaining a foreign-trade zone.  
 34 The federal Foreign-Trade Zones Act of 1934, as amended (19  
 35 U.S.C. §81a-81u), creates a foreign-trade zones board to review

1 and approve applications to establish, operate, and maintain  
2 foreign-trade zones.

3     The general assembly is considering legislation recommended  
4 by the American bar association and proposed in the senate (SF  
5 261) and the house (HF 681). One provision in the bill amends  
6 Code section 490.901, which is codified as Code section 490.209  
7 in the other legislation. If that legislation is enacted,  
8 Code section 490.901 as amended by the bill prevails and is  
9 transferred to Code section 490.209.